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SHREVEPORT OFFICE
Shreveport, Louisiana

Financial Statements
June 30, 2002

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Louisiana Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 9/25/02

Marsha G. Milligan
Certified Public Accountant
Shreveport, Louisiana

MINNEAPOLIS GAZETTE

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Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Shreveport Opera
Shreveport, Louisiana

I have audited the accompanying statements of financial position of Shreveport Opera at June 30, 2003, and the related statements of activities, and cash flows for the year then ended. These financial statements are the responsibility of the Opera's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with generally accepted auditing standards. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Shreveport Opera at June 30, 2003, and the changes in its net assets and its cash flows for the year then ended in conformity with generally accepted accounting principles.



Certified Public Accountant
September 8, 2003

EXHIBIT A

SHEEPSPORT OPERA

Statement of Financial Position

June 30, 2002

ASSETS	
Cash and Cash Equivalents	\$ 115,061
Grants Receivable	18,367
Investments	19,284
Other Current Assets	<u>600</u>
Total Current Assets	146,164
PROPERTY AND EQUIPMENT (Net)	3,172
OTHER ASSETS	
Assets Restricted for Endowment	<u>125,391</u>
Total Assets	<u>\$ 274,728</u>
LIABILITIES AND NET ASSETS	
CURRENT LIABILITIES	
Accounts Payable and Accrued Expenses	\$ 613
Charitable Annuity Payable	2,083
Deferred Revenues	52,089
Note Payable - Line of Credit	<u>182,634</u>
Total Current Liabilities	157,601
OTHER LIABILITIES	
Charitable Annuity Payable	28,883
NET ASSETS:	
Unrestricted	\$ 28,348
Permanently restricted	<u>123,394</u>
Total net assets	<u>28,748</u>
Total liabilities and net assets	<u>\$ 274,728</u>

The accompanying notes are an integral part of these statements.

SENECAFEST OPERA

Statement of Activities

For the Year Ended June 30, 2002

	Unrestricted	Permanently Restricted	Total
PUBLIC SUPPORT AND REVENUE:			
Supports:			
Contributions	\$ 273,780	\$ -	\$ 273,780
Revenues:			
Season Ticket Sales	57,342	-	57,342
Box Office Receipts	39,284	-	39,284
Program Ad Sales	15,025	-	15,025
BOX Revenue	85,115	-	85,115
Guild Revenues	189,325	-	189,325
Grants	13,186	-	13,186
Miscellaneous	686	-	686
Interest & Dividends	<u>2,821</u>	<u>-</u>	<u>2,821</u>
Total Support and Revenues	736,565	-	736,565
EXPENSES:			
Production Expenses	385,233	-	385,233
General and Administrative	237,063	-	237,063
Opera Guild Expenses	188,883	-	188,883
Unrecovered losses	<u>108</u>	<u>6,385</u>	<u>6,493</u>
Total Expenses	<u>811,287</u>	<u>6,385</u>	<u>817,672</u>
Changes in Net Assets	1,278	(6,385)	(5,107)
Net assets, July 1, as previously reported	(33,802)	142,815	109,013
Prior Period Adjustment	<u>(1,622)</u>	<u>(11,944)</u>	<u>(12,566)</u>
Net assets, July 1, Restated	<u>(34,428)</u>	<u>130,871</u>	<u>96,443</u>
Net assets, June 30	<u>\$ 28,140</u>	<u>\$ 124,486</u>	<u>\$ 152,626</u>

The accompanying notes are an integral part of these statements.

MEMORANDUM OPINION

EXHIBIT C

Statement of Cash Flows

For the Year Ended June 30, 2012

CASH FLOWS FROM OPERATING ACTIVITIES:

Change in net assets	\$ (1,189)
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	1,763
Increase in grants receivable	1 10,387
Decrease in investments	3,718
Decrease in assets restricted for endowment	6,385
Decrease in accounts payable	1 3,177
Increase in charitable annuity payable	22,949
Decrease in deferred revenue	1 48,307
Net cash provided by operating activities	1 38,353

CASH FLOWS FROM INVESTING ACTIVITIES:

Purchase of fixed assets	1 4,214
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CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:

Proceeds from line of credit borrowing	369,433
Payments on line of credit borrowing	1 331,880

Net cash provided by financing activities	37,553
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Net increase in cash	43,266
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CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	22,683
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CASH AND CASH EQUIVALENTS, END OF YEAR	2 115,961
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The accompanying notes are an integral part of these statements.

SHOREPORT OPERA

Notes to Financial Statements

June 30, 2002

1. Organization:

The Shoreport Opera is a nonprofit corporation exempt from income taxes under Internal Revenue Code Section 501(c)(3). The Organization is managed by the general director who reports to the executive committee and the board of directors. The Organization's primary function is to bring opera to the City of Shoreport and to raise the necessary funds to carry out this function.

2. Summary of Significant Accounting Policies:

Basis of Accounting - The accompanying financial statements have been prepared on the accrual basis of accounting.

Basis of Presentation - Financial statement presentation follows the recommendations of the Financial Accounting Standards Board in its Statement of Financial Accounting Standards (SFAS) No. 117, Financial Statements of Not-for-Profit Organizations. Under SFAS No. 117, the Organization is required to report information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Cash and Cash Equivalents - For purposes of cash flows, the Opera considers all unrestricted highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Property and Equipment - Purchased property and equipment are stated at cost. Donated property and equipment are stated at their fair market value on the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets ranging from three to ten years.

Contributions - All contributions received are considered available for unrestricted use unless the donor specifies a restriction. Amounts received that are restricted by the donor for specific purposes are reported as temporarily restricted or permanently restricted support that increases those net asset classes. When a temporary restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. The Opera received \$26,500 of temporarily restricted revenue and satisfied the restrictions on this revenue before June 30, 2002.

(Continued)

SHREVEPORT OPERA

Notes to Financial Statements

June 30, 2002

2. Summary of Accounting Policies: (Continued)

Estimates - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Investments - Investments are stated at their fair market values.

3. Investments:

Investments consists of the following at June 30, 2002:

Intel Corp - 18 Shares	4	329
Lacert Technologies - 18 Shares		27
Araya, Inc. - 1 Share		5
Morgan Keegan - Cash		<u>10,885</u>
Total		<u>\$ 12,246</u>

4. Assets Restricted for Endowment:

Assets restricted for endowment consists of the following:

Cash and Cash Equivalents	\$ 50,184
Fidelity Advisor Growth Fund	96,879
US Treasury Note	<u>16,333</u>
Total	<u>\$ 173,396</u>

5. Property and Equipment:

Property and equipment consist of the following:

Office Furniture and Equipment	\$ 18,928
Less: Accumulated Depreciation	<u>15,788</u>
Property and Equipment - Net	<u>\$ 3,140</u>

6. Deferred Revenue

Deferred revenue consists of funds received which are designated for the following year. These funds will be recorded as revenue in the following fiscal year ending June 30, 2003.

(Continued)

SHREVEPORT OPERA

Notes to Financial Statements

June 30, 2002

7. Restrictions on Net Assets:

At June 30, 2002, net assets were restricted as follows:

permanently restricted - Related to funds restricted for endowments.

8. Donated Material and Services:

Donated materials and equipment are reflected as contributions in the accompanying financial statements at their estimated values at date of receipt. No amounts have been reflected in the statements for donated services in as much as no objective basis is available to measure the value of such services and the donated services do not create a nonfinancial asset. However, a number of volunteers have donated significant amounts of their time to the Opera.

9. Commitments:

The Opera entered into a noncancelable lease for a copy machine on May 10, 2001. The lease requires monthly payments of \$424 for a period of five years (\$5,298 per year). The Opera may purchase the copier at the end of the lease at fair market value.

10. Concentration of Credit Risk:

The Opera maintains bank accounts at two banks. All deposits were insured by FDIC insurance.

11. Notes Payable - Line of Credit:

Notes Payable - Line of Credit consists of draws totaling \$209,634 on a line of credit at a bank. The line of credit bears interest at 4.75% and is unsecured.

12. Prior Period Adjustment:

A prior period adjustment of \$17,666 has been made to beginning net assets to adjust the carrying value of investments to market value.

Marsha O. Millican

CERTIFIED PUBLIC ACCOUNTANT

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF GENERAL PURPOSE FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

The Board of Directors
Shreveport Opera
Shreveport, Louisiana

I have audited the financial statements of Shreveport Opera as of and for the year ended June 30, 2002, and have issued my report thereon dated September 6, 2002. I conducted my audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether Shreveport Opera's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Shreveport Opera's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, I noted a matter involving the internal control over financial reporting and its operation that I consider to be a reportable condition. Reportable conditions involve matters coming to my attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in my judgment, could adversely affect Shreveport Opera's ability to record, process, summarize and report financial data consistent with the assertion of management in the financial statements. The reportable condition is described in the accompanying schedule of findings and questioned costs as finding #1.

A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. My consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, I consider item #1 to be a material weakness.

This report is intended solely for the information and use of management, federal awarding agencies and is not intended to be and should not be used by anyone other than those specified parties.

Martha D. Mullican

Certified Public Accountant
September 6, 2003

SHREVEPORT OPERA

Schedule of Findings and Questioned Costs

Year Ended June 30, 2002

FINDING #1:

Criteria:

The segregation of duties is inadequate to provide effective internal control.

Cause:

The condition is due to economic and space limitations.

Recommendations:

No action is recommended.

Management's Response:

We concur with the finding.

There were no questioned costs for the year ended June 30, 2002.